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DEPARTMENT FOR EAP/ANP, EEB/TPP/IPE

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TAGS: [ETRD](#) [TBIO](#) [AS](#)  
SUBJECT: GOA REJECTS PROPOSAL TO MANUFACTURE GENERIC DRUGS  
FOR EXPORT

11. (U) SUMMARY: The GOA rejected a proposal by generics companies to manufacture generic drugs in Australia for export. Pharmaceutical industry groups welcomed the decision while generic manufacturers were disappointed. The GOA based the decision mainly on its declared intent to adhere by Australia's international commitments. End Summary.

12. (SBU) On July 25 Econoff met with Ian Chalmers, Chief Executive of Medicines Australia, an industry group representing pharmaceuticals in Australia. Chalmers confirmed that the GOA rejected a proposal that would have allowed the manufacture of generic drugs in Australia for export. The proposal was put forth by global pharmaceutical Hospira and was backed by the Generic Medicines Industry Association of Australia (GMiA).

13. (SBU) Chalmers provided a copy of a letter dated July 22 from Minister for Innovation, Industry, Science and Research Kim Carr to Medicines Australia, in which the GOA conveyed its position on the manufacturing of generics for export. Explaining that the issue had been given "careful and thorough consideration by relevant departments and agencies," Minister Carr concluded that the GOA cannot support the proposal "in light of Australia's international commitments on intellectual property and trade."

14. (U) GMiA Chief Executive Kate Lynch released a statement lamenting the government's decision and warning that it will have a "detrimental impact" on the development of the generic medicines industry in Australia. She added that as a result of the decision Australian generic medicine manufacturers will miss a share of USD 150 billion export market over the next six years.

15. (SBU) COMMENT: While rejecting the proposal seems like straightforward compliance with the Australia-US Free Trade Agreement (AUSFTA), some experts have argued that the GOA could have expanded its interpretation of the FTA in order to allow the manufacture of generics for export. Given that AUSFTA negotiations on intellectual property were particularly difficult, the GOA may have preferred to tread lightly on this issue.